GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:351
ANSWERED ON:03.02.2017
Educational Loan
Mahtab Shri Bhartruhari

Will the Minister of FINANCE be pleased to state:

(a) whether the Government/ Reserve Bank of India has issued any instructions/guidelines to the banks including State Bank of India for granting education loans for pursuing higher education and if so, the details thereof;

(b) the details of the education loans sanctioned and disbursed by the said banks for pursuing degree and diploma courses in the country during the last three years and the current year, State-wise and Bank-wise;

(c) whether the Nationalised Banks are not granting education loan for post-graduation diploma courses conducted by colleges and approved by AICTE, if so, the details and reasons therefor;

(d) whether the students particularly those belonging to SC/ST and poor class families are being exploited by the private banks by charging higher interest rates and if so, the details thereof; and

(e) the steps taken/being taken by the Government to provide easy education loan to students in this regard?

Answer

(MINISTER OF STATE IN THE MINISTRY OF FINANCE)

(a) Indian Banks' Association (IBA) has formulated and circulated to all member banks including State Bank of India a 'Model Education Loan Scheme' for providing financial support to meritorious students for pursuing higher education in India and abroad. The IBA scheme provides broad guidelines to the banks to operationalise the educational loan scheme and the implementing banks may vary their products as may be required.

(b) As per the information furnished by RBI, the state-wise/bank-wise education loan disbursed (classified as priority sector advances) by public sector banks and private sector banks for the last three years are at Annex- I/Annex- II, respectively.

(c) As per IBA Model Scheme, approved courses leading to graduate/ post graduate degree and P G Diploma conducted by Colleges/ Universities recognized by the University Grants Commission, the All India Council for Technical Education, the Indian Council of Medical Research, etc. are eligible for education loan.

(d) As per directions of the Reserve Bank of India, with effect from 1st July, 2010, banks are required to price their loan products including education loans linked with the base rates (presently Marginal Cost of Lending Rate) approved by their respective Boards. Banks are not permitted to resort to any lending below the Base Rates. Accordingly, interest rates on education loans are decided by the bank concerned as per their approved policy. Interest Rates levied are not based on the socio-economic background of the students. Government of India provides full interest subsidy on education loans disbursed on or after 1st April, 2009 by Scheduled Commercial Banks, during the period of moratorium, for the students belonging to economically weaker sections i.e. whose parental income from all sources does not exceed Rs 4.50 lakh per annum.

(e) In order to facilitate easy processing and disbursal of loans, Government has launched a web-based portal viz. Vidya Lakshmi Portal. Students can view, apply and track the education loan applications online by accessing the portal. Government of India has launched a Credit Guarantee Fund Scheme for Education Loans (CGFSEL) wherein collateral free loan is given upto Rs.7.5 lakh.

Annex-I to reply of Lok Sabha Unstarred Question No. 351 on Educational Loan for answer on 3rd February, 2017

State-wise education loans disbursed (classified as priority sector advances) by Public Sector Banks and Private Sector Banks (Rs. in "Thousands")

States/UTs 2013-14 2014-15 2015-16
A & N Islands 13763 15224 19577
Andhra Pradesh 7715289 10614066 8894066
Arunachal Pradesh 13035 27689 20893
Assam 410345 399712 505530
Bihar 2513372 2918127 2531889
Chandigarh 289488 348669 474438

Chattisgarh 440430 582513 689336
Dadra & Nagar Haveli 9851 10617 8692
Daman & Diu 6270 10402 11502
Delhi 1657151 1899132 2497637
Goa 137763 151351 154219
Gujarat 1951221 2079895 2418998
Haryana 1454475 1430145 2034879
Himachal Pradesh 526395 521087 575474
Jammu & Kashmir 740630 334366 405772
Jharkhand 1171580 1221989 1269416
Karnataka 7121144 7998035 9721996
Kerala 9498078 10975798 9688635
Lakshadweep 782 3152 1727
Madhya Pradesh 2156833 2149217 2499918
Maharashtra 7838689 7494659 10950914
Manipur 37801 47847 41214
Meghalaya 27645 63943 41307
Mizoram 19082 18675 26343
Nagaland 13307 21636 14672
Orissa 1320492 1364157 1584516
Puducherry 257420 243354 240866
Punjab 2313635 2060098 3051631
Rajasthan 1956429 1843165 2986249
Sikkim 15176 24975 31415
Tamil Nadu 18963128 19522193 15849561
Telangana 8826259
Tripura 103510 115713 270804
Uttarakhand 1133760 1109350 1357180
Uttar Pradesh 3798252 3528543 4748918
West Bengal 1872889 1977413 2293620
Total 77499110 83126907 96740063
Source RBI

Annex-II to reply of Lok Sabha Unstarred Question No. 351 on "Educational Loan" for answer on 3rd February, 2017

3rd February, 2017
on
3rd February, 2017
Bank-wise education loans disbursed (classified as priority sector advances (Rs in "Thousands")
Name of the Bank 2013-14 2014-15 2015-16
State Bank of Bikaner & Jaipur 855479 630342 775693
State Bank of Hyderabad 875584 1217320 1820578
State Bank of India 7386925 7220871 14450625
State Bank of Mysore 824700 1132406 1362196
State Bank of Patiala 672410 658986 491430
State Bank of Travancore 2610003 1886835 1252042
Allahabad Bank 1779870 1649317 1023718
Andhra Bank 3073890 4504114 6575202
Bank of Baroda 3506734 2413692 2310149
Bank of India 5431375 5801433 4841241
Bank of Maharashtra 1631006 775841 1189630
Bhartiya Mahila Bank Ltd. 0 26440 23412
Canara Bank 1162304 9150015 10066068
Central Bank of India 3138700 4982246 4737615
Corporation Bank 4164689 3006334 857405
Dena Bank 968364 786955 1013303
IDBI Bank Ltd. 1138802 1040466 2882734
Indian Bank 3725133 2834120 2088487
Indian Overseas Bank 6051034 5823249 4654762
Oriental Bank of Commerce 2185265 1648793 4456731
Punjab and Sind Bank 898673 512427 1062607
Punjab National Bank 6014838 5596306 6674830
Syndicate Bank 3125989 2932516 5390109
UCO Bank 2611481 2466765 2304969
Union Bank of India 3796491 4092472 3979842
United Bank of India 1012387 856758 818579
Vijaya Bank 1957870 2543525 3381826
Total Public Sector Banks 70599996 76190544 90485781
Axis Bank 219721 509939 1095381
Bandhan Bank 0 0 221500

Catholic Syrian Bank 427669 1086206 129005
City Union Bank 293657 314989 242540
Development Credit Bank 33413 47946 70413
Dhanlaxmi Bank 210534 256531 242406
Federal Bank 1392737 1432879 1183368
HDFC Bank 92991 262457 302227
ICICI Bank 119543 97434 76664
Indusind Bank 1498 564 231
ING Vysya Bank 36912 6147 0
Jammu & Kashmir Bank 653591 270442 266121
Karnataka Bank 349182 364801 506335
Karur Vysya Bank 222476 81764 392164
Kotak Mahindra Bank 33772 127907 8249
Lakshmi Vilas Bank 345869 348108 100819
Nainital Bank 21243 75967 71933
Ratnakar Bank 28972 122781 333709
South Indian Bank 2080356 1202947 738188
Tamilnad Mercantile Bank 334978 326124 273028
Yes Bank 0 430 0
Total Private Sector Banks 6899114 6936363 6254281
Total 77499110 83126907 96740063
Source: RBI